

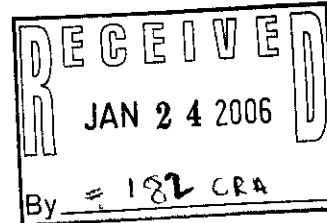


City of Cleveland

Frank Jackson Mayor

Department of Community Development  
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January 10, 2006



Office of the Comptroller of the Currency  
250 E. Street SW, Mail Stop 1-5  
Washington, DC 20219  
Docket No. 05-17

Jennifer J. Johnson  
Secretary  
Board of Governors of the Federal Reserve System  
20<sup>th</sup> Street and Constitution Avenue NW  
Washington, DC 20551  
Docket No. OP-1240

Robert E. Feldman  
Executive Secretary  
Attention: Comments, RIN 3064-AC97  
Federal Deposit Insurance Corporation  
550 17<sup>th</sup> Street  
Washington, DC 20429

Dear Sir or Madam:

This letter is in response to your request for comments to proposed Questions and Answers that serves as informal staff guidance for examiners and other agency personnel. Your November 10, 2005 request for comment also invites the public to comment on other community reinvestment issues as well.

Specifically, the proposal provides guidance on what should be counted as Community Reinvestment Act points for financial services to low and moderate income persons. Obviously, traditional banking services such as branches, low cost checking and low cost savings should continue to be encouraged. However, the financial offerings have become more complicated with the addition of non-conventional providers such as payday lenders and conventional lenders now marketing services to low and moderate income persons, and geographies that in the past were ignored.

Unfortunately, this market is profitable to financial institutions not only for interest revenue generated, which can be substantial, but, also because of the hefty fees associated with having and misusing accounts.

It would be unconscionable to reward a financial institution with CRA points that has established policies to strip customers of their wealth for no service provided such as excessive fees for overdraft, trapping consumers in ever increasing fee charges once they overdraft, holding payments beyond due dates, and other fees not related to the actual provision of a service. Therefore, the City of Cleveland recommends that before examiners give CRA service credit for meeting the needs of low and moderate income persons, a review should be conducted to determine if this population is truly benefiting. For example, the review should determine what the fees associated with the account are; whether they are onerous; whether they are administered to achieve maximum profitability at the expense of the customer; and, whether the charges and policies are explained to the customer upfront in a clear and concise way, both in writing and through oral communication.

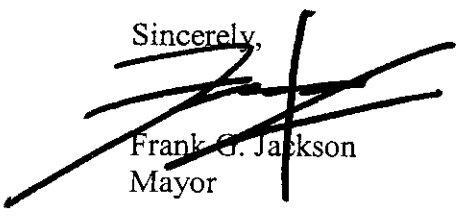
We are a member of the National Community Reinvestment Coalition (NCRC) and agree with their comment applauding your recent efforts to add an anti-predatory provision to the CRA regulations and also urge you to go further by requiring examiners to provide a fair lending exam when the bank or one of its affiliates makes a high concentration of subprime loans to minorities, the elderly, women, low-income borrowers or to communities recovering from natural disasters and experiencing shortages of credit.

Thank you for providing us with an opportunity to comment on these important proposals. We seek to protect our residents, many of whom have low to moderate income and are subject to unscrupulous practices of financial institutions designed to take advantage of economical and educational status.

If you have any questions please contact the City of Cleveland's Director of Community Development, Daryl Rush at 216-664-4000.

Thank you.

Sincerely,



Frank G. Jackson  
Mayor

cc: National Community Reinvestment Coalition